



UNSW Student Life

ANNUAL REPORT



31 DECEMBER 2018

arc.unsw.edu.au





THIS FINANCIAL REPORT COVERS

Arc @ UNSW Limited
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PRINCIPAL PLACE OF BUSINESS

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Arc Precinct
Level 2, Basser College
UNSW

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Chief Executive Officer's Report

2018 was heralded by the long-awaited return of Arc's premier venue, the Roundhouse. The traditional 'home of student life' was relaunched in February, following an extensive 18-month refurbishment. The refurbishment focused on creating flexible and functional spaces to cater for our increasingly discerning student and commercial audiences. Featuring entirely new function rooms, kitchens, exterior façade and an extensive audio visual upgrade, the refurbishment sought to maximise the functional areas of the venue whilst returning it to its original round shape.

Launching to a sold out crowd the venue went from strength to strength with a strong commercial presence being complimented by a diverse and extensive program of student events. The renewal of this iconic building has created one of the most distinctive spaces in Sydney, ensuring the Roundhouse will feature prominently in yet another generations UNSW memories.

The redevelopment of the Roundhouse was a testament to the strength of Arc's relationship with UNSW. Our partnership with UNSW is built on a mutual trust and is characterised by a shared understanding that supporting student life across all its facets is critical to the student experience. 2018 saw the relationship continue to evolve, with Arc working collaboratively across multiple University departments. These collaborations aim to ensure that the student voice is heard at all levels on a broad range of issues to positively impact the student experience.

Arc continues to develop and deliver an increasingly diverse array of engagement, support and development opportunities for UNSW students. Engagement grew across all facets of our programming and was supported by Arc Membership reaching over 30,500. Some of the specific accomplishments of our departments are explored in the following pages.

Financially, 2018 saw Arc's financials begin to stabilise, after two challenging years. Throughout the extensive period of construction and development, we leveraged the strength of Arc's balance sheet to maintain the existing level of student programming. Cash on hand was impacted by the finalisation the Roundhouse investment activities early in the year. Prudent cost controls combined with the strong revenue growth resulted in Arc delivering an extremely positive result against an ambitious budget.

Arc was thrilled to once again receive the prestigious WGEA Employer of Choice citation for 2018/2019 for the 5th consecutive year. Internally, the organisation restructured the Executive and Management Teams. The new structure has been designed to increase support to and focus on key areas of the business. In the latter half of the year, Arc also commenced an extensive review of our back office to identify and realise savings in this area, whilst identifying our desired future state.

Looking ahead, 2019 will be a significant year for the organisation, as we finalise and launch our 2019-2022 Strategic Plan. The year will also see the roll out of a redeveloped suite of programs adapted to the new UNSW3+ calendar. A key focus throughout this time will be on remaining agile, flexible and responsive in our approach to implementation.

The success of Arc continues to be driven by the passion and commitment of our volunteers, student leaders, board of directors and staff members. It is through their concerted efforts that Arc is able to create the best student experience and make a tangible impact upon the lives of thousands of students. It is an immense pleasure to work with such an exceptional group of people and I look forward to working with them to continue Arc's successes in 2019.

Shelley Valentine
Chief Executive Officer



HUMAN RESOURCE

Joanna Zolnierkiewicz

In 2018, we focused on increasing the visibility of our inclusive culture and run a number of initiatives to promote our diverse workplace including publishing a dedicated Diversity and Inclusion section of the Arc website.

We were once again awarded the WGEA Employer of Choice Citation for 2018/2019 marking the 5th consecutive year we have been awarded with this prestigious accolade. Equal opportunity, diversity and inclusion remained the essential part of Arc's strategy and people management. Arc has been successful in maintaining a workplace culture that is fair, flexible and is committed to ongoing improvements to ensure the organisation stays at the frontline of driving positive change and setting standards for inclusive workplaces.

The ongoing development of our staff and student leaders through formal and informal Learning & Development programs resulted in advancing the organisation's capability, stronger leadership, a significant number of internal promotions and contributed to improving UNSW students' skill sets.

In line with Arc's attraction & retention strategy we have created comprehensive succession plans for our management team, continued to improve the processes and systems to maximise efficiencies and we've seen our employment brand strengthen resulting in increased application rates and attraction of diverse, talented individuals to the organisation.



MARKETING & MEMBERSHIP

Mitchell McBurnie

Membership

Arc Membership remains the lynchpin of UNSW students' interactions with their student organisation. Steered by the overarching 'UNI YOUR WAY' membership campaign across digital and print we secured the membership status of over 30,000 students. This number is proportionately distributed across all major student demographics including local/ international, undergraduate/ postgraduate and all faculties. The campaign saw Arc opportunities and services clustered around key topics: Clubs Your Way, Volunteering Your Way, Sport Your Way, Art & Design Your Way, Postgrad Your Way and Help Your Way.

Arc Membership was promoted and activated at all major university events. These student-facing activities ensured that Arc remains the preferred source of truth for UNSW students when it comes to information about their student life experience.

Arc Member satisfaction remained very high at 94%. Another pleasing result was that 99% of students returning to UNSW said they intended to renew their Arc Membership in 2019.

At the conclusion of 2018, Arc Membership worked closely with Arc Clubs to transition the existing platform to Salesforce. The project aims to deliver an enhanced end-to-end student experience that will

ultimately seamlessly integrate digital access with physical activities. 2019 will see additional capabilities added to this platform that will allow more precisely targeted experiences for students to make the most of their membership.

Marketing

Arc Marketing continued to service the digital, print and signage needs of all Arc departments while maintaining a cohesive overview of the brand identity. Each digital channel demonstrated strong growth lead by the Arc website which grew its views by 20% receiving 1.2m visits in 2018. Staff upskilled in digital marketing, strategy, animation, coding, user experience and sound design to augment the services that can be provided to the company.

Arc email communications continues to perform above industry average open-rate with increasing utility of segmentation allowing us to deliver relevant programs to students most likely to participate.



VENUE & EVENTS

Jason Lyons

In 2018, Roundhouse \$32m refurbishment was complete and Australia's largest student venue was reopened. The relaunched venue was spearheaded by a concert headlined by a sold-out San Cisco along with sold out comedy night and Start of Session party signalling Roundhouse's return as the "home of good times". The substantial renovations have upgraded the multipurpose venue with state-of-the-art audio-visual technology, versatile spaces and modern finishings.

Throughout the year, Roundhouse hosted an array of student-centric events. Free weekly activities were expanded to include trivia, Mario Kart, table tennis, poker and pool; Gigs in the Garden hosted regular local talent live music; and major intermittent events like Big Trivia and Session Parties filled the venue to capacity. Roundhouse also supported the diverse range of student activations on campus including The Student Cookbook Launch; Phil' 24 hour Fun-A-Thon; Artsweek's Drink 'n Draw and hundreds of student club events.

Venues & Events actively promoted the venue across a range of networks and platforms to attract new business. The broad appeal of the refurbishment, coupled with successful marketing initiatives, has yielded a greater diversity of events and clients. The renewed venue has strong conferencing appeal from both UNSW faculties and professional conference organisers, generating consistent bookings in the latter half of the year.

Roundhouse Food & Beverage delivered strong revenues, producing a contribution above target for the year. Strong performances at major concerts were the driver for beverage sales. A focus for 2019 will be to continue to grow this segment of the market, enabling further upside potential.

The Whitehouse had a difficult year, performing below expectations. Headwinds for the venue included increased competition in a crowded café market, new licences opening on campus, and construction on Basser Steps and in the Quad reducing passing foot traffic. The completion of this construction in early 2019 will

be counter-balanced by the demolition of neighbouring UNSW Hall, scheduled to commence in mid 2019. Areas of focus for improvement in Whitehouse operations in 2019 include an improved food and beverage menu, a focus on our points of difference measured against competitors on campus and a renewal of strong customer service values.



**STUDENT
ENGAGEMENT**
James Yau

Clubs

Arc Clubs continued to support 300 student clubs, societies and associations. 2018 saw a \$20,000 increase in Clubs funding from Arc with 240 Clubs taking advantage of grants available with Arc receiving over 2,600 grant applications (an increase of 12% on the previous year).

Clubs Mashup & Taster Day initiatives continue to encourage and provide opportunities and support for Clubs in running collaborative events on campus and showcase their activities and offerings to students who might not otherwise be exposed to them.

This year also saw the scoping and transition to a new Salesforce-based platform for Clubs and Volunteering. The new platform was researched and tested extensively to prepare for a 2019 O-Week implementation.

Additional online training modules on Club operations, Arc Club services and accessing funding opportunities were made compulsory for all Club Executives. Arc also worked closely with the Gendered Violence Research Network to develop and deploy a consent module to proactively address emerging gendered misconduct issues in the tertiary sector.

Volunteering

In 2018, Arc Volunteering continued to provide a diverse range of volunteering opportunities to UNSW students across its programs, with nearly 1,000 Australian Higher Education Graduation Statement accredited volunteers and over 3,000 students taking advantage of the range of flexible opportunities through Volunteer Army.

Passports With Purpose continued their ongoing relationship with four partner organisations spanning across 4 countries with 100 students embarking on sustainable development projects overseas while Walama Muru, in its tenth year refurbished their entire garden of Ngallu Wal Aboriginal Child and Family Centre. Students engaged with Arc Goes To... over 25 trips for with over 550 students with many returning for multiple iterations. After a trial run, 2018 officially launched the Culture Café program, an avenue for students to, in a casual environmental, practice conversational English and socialise.

2018 also saw the culmination of the Phil' program's first three years – raising a grand total of over \$270,000 Sydney Children's Hospital Foundations Child Life & Music Therapy through raffles, bake sales, barbecues, Gala Ball, Charity Concert, City2Surf, Pedal4Kids and Phil' 24 Hour Fun-A-Thon.

Arc Volunteering trialled its first implementation run of UNSW 3+ calendar changes; recruiting and inducting the 2019 cohort of Student Volunteer Program Coordinators at the beginning of the fourth quarter, rather than at the conclusion of the fourth quarter and into the following year. Likewise, a shorter, smaller recruitment cycle of volunteers was available throughout the fourth quarter, to be supplemented by recruitment periods during O-Week, and in the lead up to Term 2 and Term 3.

Our O-Week festivities continue to be one of the biggest in the Southern Hemisphere, with over 100 activities for first year and returning students to engage with, and over 3,500 students taking campus tours across the week. 180 Yellow Shirts volunteers lived up to their reputation as the primary source of orientation for UNSW students.

Art & Design

The Arc offering at UNSW Paddington continues to grow and diversify in line with student demands on the creative campus. Overall, Arc @ UNSW A&D presented 22 continuing programs and over 20 additional student lead initiatives and campus activities during 2018. This is an increase of 23% in A&D's overall student engagement offerings.

Some of the key programs presented in 2018 included: Our annual exhibition program spanning three exhibition spaces - Kudos Gallery, AD Space and Three-Foot Square - Our 2018 exhibition program presented a combined total of 95 Exhibitions, 312 participating artists, designers and curators, 6474+ Audience Members, and 20 Student volunteers; Art and Design Grants supporting extracurricular projects; Green House Artist in Residence Program; Kudos Emerging Artist and Designer Awards; Brightside Artistic Mentoring; Art & Design Student Council; White Cube Volunteer program and Writers program.

Building on top of Art & Design's philosophy of providing and supporting vocational education experiences for students is our core philosophy of equity, diversity, inclusion and accessibility. These key points are at the core of each of Art & Design's programs so that all students are able to feel safe, included, seen and heard during their time at UNSW Art & Design.

Sport

Arc Sport continues to deliver greater sporting opportunities to UNSW students. 2018 saw Arc Sport work closely with university stakeholders to devise a new sport strategy that will elevate physical recreation for all students.

The year was once again kicked off with Festival of Sport, showcasing Arc Sport's offering across a 3 day festival featuring demonstrations from Sport Clubs, social sport, inflatable activities and various other competitions.

2018 saw Arc Sport affiliate 39 sports clubs supporting over 3,800 student members. New additions to the fold were UNSW Fencing and UNSW Target Rifle. With the continuation of the monthly workshops, Arc Sport was able to continue to support the clubs with recruitment, retention and development of all their members.

She Can continues to be a success with over 1,100 actively engaged female-identifying students in the program. Social Sport and Dance Classes have continued its growth with students, alumni and staff taking part in 4 dance genres and over 7 different team sports options. This has been a great success in past years and offers participants the opportunity to try sports in a fun and friendly, non-competitive environment.

UniSport Australia in 2018, changed the format of the University Games to Nationals Division 2 and Nationals Division 1 competitions. Team UNSW was well represented at Division 1 competitions with Men's Water Polo, Women's Judo, League of Legends and Men's Taekwondo taking Pennants for overall winners. The UNSW Snow Sports team won Snow Nationals for the 3rd year in a row and Team UNSW also competed in several Intervarsity competitions with other local universities in Oztag, 3v3 Basketball and the Bay Run.

LEGAL & ADVOCACY

Linda Lombardi & David Loonam

This year Arc Legal & Advocacy met 473 new student clients, and with ongoing matters this translated to around 600 face-to-face consultations. There were also approximately new 430 email-only consultations, 216 phone-only advices and a handful of Skype consultations. The caseload primarily consisted of issues including housing, driving and traffic matters, debt, employment and university disputes; and a huge variety of cases involving anything from identity theft, migration fraud, assaulting police, intriguing copyright problems and blackmail.

There was an unprecedented number of complaints from international students about a large local accommodation provider. Over the year, we helped recover more than \$28,000 in unlawful or unreasonable fees and charges from this company and still have a number of cases against them in progress. Toward the end of 2018 we also saw a larger than usual number of students appealing academic exclusions – 46 by the end of the year.

A highlight of 2018 was the introduction of migration and visa advice following staff re-training. Students typically seek information about their visa options following graduation, or gaining Australian citizenship, however several students faced problems with their visas and even a few claiming refugee status.

Department staff up-skilled in other areas with a view to be as useful to students and to the organisation as possible, including work in financial literacy and counselling skills and submission of trade mark applications.



BUSINESS ADMINISTRATION
Nitasha Prasad

Building Services

Building Services team had a very busy 2018, tasks ranged from assisting with complex moves including moving out of The Greenhouse and into the Roundhouse; to assisting with the day to day maintenance needs of the organisation. The department completed a review of current processes and managed to generate

a savings across of over 10% across cash handling and cleaning products. Building Services continues to play a vital role as a service department within the organisation and with the re-opening of the Roundhouse, the department will focus on creating effective and efficient maintenance procedures for 2019.

Information Technology

Having successfully completed the Cloud Project in late 2017 (migrating Arc's infrastructure to cloud services), 2018 saw the department working hard to roll out the services by training staff but upskilling themselves to learn the new functionalities. Throughout the year, IT deployed new desktops and laptops as well as a new design server, successfully moved to two different office locations within one year and attained new SSL Certificates on all web servers at minimal costs. The department also closed a total of 1163 job at year end, the majority being related to user accounts and software.



SPONSORSHIP & ADVERTISING
Nathan Shipp

Sponsorship & Advertising team exceeded targets and continued to see growth in 2018 with roughly an 8% increase in revenue year on year. This growth was primarily attributed to packaging clients across the key properties of the year including another record breaking O-Week and Welcome Back Day and new revenue generating opportunities.

The department focused on demonstrating to clients the benefits of activations outside of the key events and utilising online opportunities across websites and e-newsletters. The team is confident that by continuing the utilisation of these strategies and looking at new revenue opportunities on campus with UNSW and the third O-Day, continued growth will be seen in 2019.



RETAIL & VENDING
Rebecca Southwick

The Grad Shop had an excellent year and graduated 8,976 students through UNSW in 2018, an increase of 596 students on 2017. The Grad Shop resigned a 2-year Service Level Agreement with the Graduations Office to provide Graduation Gowns. In 2019 The Grad Shop will focus on continuing to develop new merchandise and co-branding opportunities to increase UNSW merchandise brand and reach on campus.

Vending had a difficult year with works projects impacting machine access and availability on campus. With a number of works projects nearing completion and diversifying the offering in 2019 will assist to grow the contribution and meet student demand on campus.





Chair's Report

Nadhirah Daud
Chair of the Board
Student Director

2018 has been a year of change, growth and strategic development for Arc.

On the change front, we welcomed our fantastic new CEO, Shelley Valentine, who has been with Arc since its inception. Since commencing her role, Shelley has done tremendous work in driving Arc's transformation alongside the UNSW3+ calendar model, developing innovative student engagement and development pathways and expanding Arc's relationships with its key stakeholders. The Board has the utmost confidence in her leadership and ability to steer the organisation's success into the future.

In relation to growth, Arc ended 2018 having achieved record membership numbers of over 30,500 members and increased numbers of volunteers and participants across its events. A large part of the year has also been spent reviewing the organisation's Strategic Plan, with a particular emphasis on bolstering Arc's current offerings, safeguarding its long-term future, and promoting equity, diversity and inclusion in order to create the best possible student experience.

The particulars of our broader operational and strategic success are outlined in the Chief Executive Officer's report, however I will detail some of the year's student-facing highlights below.

Delivery of our Strategy

In 2018, Arc continued to maximise its student spend in order to fulfil its mission to create the best possible student experience. Arc supported 335 Clubs and Societies, hosted 4472 events, and ran 30 student-led volunteer programs in order to create diverse pathways for student engagement and self-discovery. Arc's philanthropic volunteering program Phil' raised a record \$162,000 for the Sydney Children's Hospital Child Life and Music Therapy Unit, taking its running total to over \$250,000 in just 3 years of its operation. And Arc Sport has seen increased membership yet again, with over 7100 students engaged in 39 sporting clubs. The sheer volume of activity supported by Arc on campus reflects Arc's ongoing position as the foundation of UNSW's student life.

Roundhouse

The Roundhouse officially reopened and has quickly returned to its position as the home of student life on campus. Since its reopening, the Roundhouse has hosted a range of exciting events from well-known domestic and international performers to eating challenges

and painting sessions in the beer garden. The Roundhouse breakout rooms have also been constant hot spots for clubs and societies to regularly meet up while the bar and bistro satisfy student cravings throughout the day.

Arc Advocacy and UNSW Relationship

2018 reached a new high in Arc and UNSW's relationship. The strengthening and expanding of Arc's working relationship with senior staff members from across UNSW management has allowed the student voice to be reflected in key decisions impacting upon student lives. Some of the successes achieved through my diligent advocacy alongside Arc's Student Council Presidents Zack Solomon (SRC President) and Sourabh Dhouchak (PGC President) include:

- › Helping the university to set up a SSAF steering committee, which will ensure student priorities are better represented in the allocation of SSAF funding.
- › Representing student interests on the EDI Board, the PLuS Alliance Student Council, the Academic Board and other ad hoc committees and working groups on issues affecting students.
- › Supporting our Academic Board student representatives to remove Permitted Withdrawal records from academic transcripts. We understand that our most vulnerable students are those who are most likely to seek Permitted Withdrawal from their courses for wellbeing reasons and this should not affect their employment prospects through records on their academic transcript.
- › Working closely with the EDI division on a range of initiatives to tackle gendered misconduct on campus, to promote respectful behaviours between staff and students and to develop university social responsibility on campus and internationally.
- › Advocating to the university for improvements to the Health Service, Counselling and Psychological Services, and access to healthcare for international students.
- › Supporting the university to hold its first International Student Forum focused on improving the experience of international students at UNSW.

Gender Champions

In 2018, Arc proudly achieved the WGEA citation for the 5th year running, which is no easy feat. As the requirements for earning the citation become more stringent and difficult to achieve every year, Arc's success as the only student organisation to have achieved this is a testament to our culture which seeks to actively support and

develop female staff, volunteers and student leaders. Additionally, for the first time this year, 3 out of 4 of our elected student directors are female-identifying. This highlights the positive cultural change that has come about through Arc's successful implementation of its affirmative action policy on the board.

We have also worked alongside the colleges to implement mandatory gendered misconduct training, which has now been rolled out to all executives of clubs and societies to ensure we are promoting a safe and supportive campus for all students.

Arc's Future Focus

Arc is constantly searching for ways to become a bigger and better organisation. In 2019, the Board and organisation will be focused on addressing the challenges associated with changes to the UNSW3+ calendar model, reducing the barriers to participation in the organisation for international and Indigenous students, and developing innovative ways to engage our online and remote students through digital communities.

The Board will also be finalising its renewed Arc Strategic Plan and will explore new revenue streams and opportunities to ensure Arc is able to enhance and deliver its mission in the long-term.

Final words

Arc's mission in 2018 was to create the best possible student experience at UNSW and I am fiercely proud of everything the organisation has achieved. Arc continues to be the go-to place for students to discover their passions, to make new friends, to seek support during tough times and to gain valuable personal and professional development. I have no doubt that Arc will continue to be one of Australia's leading student organisations in future.

I am humbled to have had the opportunity to serve this incredible organisation over the past two years. The immense learning I have gained from my various roles is invaluable and I am blessed to have had the opportunity to change student lives at UNSW. It would be remiss of me not to thank my fellow Board members for their insightful contributions, passionate advocacy and for their support during my term as Chair of the Board. And of course, the organisation's success must also be attributed to our generous and passionate staff and students who come in to work every day because they genuinely care about improving student life on campus.

Finally, thank you to our members. Your participation, enjoyment and development continue to push Arc to be better and it has been a privilege to serve you.

Board of Directors

DIRECTORS AS AT 31 DECEMBER 2018



Shelley Valentine
Chief Executive Officer
Director
Company Secretary



Nadhirah Daud
Chair of the Board
Student Director



Amanda Young
Alumni Director



Aaron Magner
UNSW Director



Jason Zabakly
Student Director



Mia Carey
Student Director



Samuel Westley
Student Director



Suwarna Ramanathan
Student Director



Benjamin Jones
Student Director



Jessica Lasky
Student Director



Jessica Black
Student Director



Leigh Dunlop
Alumni Director



Paul Dobing
UNSW Director



Angela Griffin
SRC President



Gaurav Vats
PGC President

OUTGOING DIRECTORS



Edward Botolo
Chair of the Board
Student director



Kynan Newsan
Alumni Director



Audrey Marsh
Student Director



Erin Bailey
Student Director



Joshua Sun
Student Director



Lucian Hiss
University Director



Brad Hannagan
Chief Executive Officer
Director
Company Secretary



Sourabh Dhouchak
Postgraduate Council (PGC)
President



Zack Solomon
Student Representative Council
(SRC) President

Directors' Report

The directors present their report, together with the financial statements, on Arc @ UNSW Limited (the 'company') for the year ended 31 December 2018.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Shelley Valentine	Appointed 25 July 2018
Nadhirah Daud	
Amanda Young	
Aaron Magner	
Jason Zabakly	
Mia Carey	
Samuel Westley	
Suwarna Ramanathan	Elected 16 July 2018
Benjamin Jones	Elected 16 July 2018
Jessica Lasky	Elected 16 July 2018
Jessica Black	Elected 16 July 2018
Leigh Dunlop	Appointed 20 August 2018
Paul Dobing	Appointed 20 August 2018
Angela Griffin	Elected 1 December 2018
Gaurav Vats	Elected 1 December 2018
Edward Bartolo	Term concluded 31 May 2018
Kynan Newsan	Term concluded 31 May 2018
Audrey Marsh	Term concluded 31 May 2018
Erin Bailey	Term concluded 31 May 2018
Joshua Sun	Term concluded 31 May 2018
Lucian Hiss	Term concluded 31 May 2018
Brad Hannagan	Resigned 25 May 2018
Sourabh Dhouchak	Term concluded 30 November 2018
Zack Solomon	Term concluded 30 November 2018

Objectives

The principal objective of the company is to provide services to its members, being students of the University of New South Wales ('UNSW').

Strategy for achieving the objectives

The company will meet its objectives by implementing operational and strategic plans around the key goals of student engagement,

development and support. Continual re-evaluation and feedback from students will be sought to ensure the relevance and success of the company's programs.

Key to achieving the company's objectives is the continuation of a strong and mutually beneficial relationship with the UNSW resulting in an ongoing funding agreement and the executed formal partnership agreement.

Principal activities

During the financial year the principal continuing activity of the company consisted of providing services and a complete university experience for UNSW students. These include:

- › **Graduation Services** - graduation dress hire;
- › **Student Development** - volunteering, grants, courses and Student Development Committee ('SDC');
- › **Representation** - Student Representative Council ('SRC'), Inter-Residence Council ('IRC'), Postgraduate Council ('PGC'), Student Support (Legal and Advocacy) and Art and Design Student Council;
- › **Entertainment** - Roundhouse parties, bars and weekly entertainment;
- › **Food & Beverage** - Bistro and Whitehouse.
- › **Publications** - Blitz, Tharunka, UNSWeetened and International Cookbook
- › **Clubs and Societies Facilities** - Computer labs, rooms for hire and postgrad lounge;
- › **Arc Creative Services** - established in January 2014 provides design and printing services for both internal and external clients; and
- › **Arc UNSW Sports** - provision of the management of all sports clubs to increase participation rates and ensure all students have access to sporting events and facilities.

UNSW Council approved a refurbishment project for the UNSW Roundhouse in February 2016 which commenced in July 2016 and resulted in the Roundhouse being non-operational for the period July 2016 until February 2018. It became operational in February 2018.

Performance measures

The company measures its performance through key performance indicators defined by the Board. The success of the organisation is initially measured by the number of students engaged with the organisation through their membership. Additional measures around participation, financial, employability and volunteer numbers have also been implemented.

Director	Title	Qualifications/ Experience	Special Responsibilities
Shelley Valentine	Director, Chief Executive Officer and Company Secretary	M Events Shelley has more than 15 years' experience in the Higher Education sector with a particular focus on operations and the student experience.	None
Jessica Lasky	Student Director	Jessica is a fourth year Commerce/Law student at UNSW. She is employed as a cadet accountant at Deloitte where she assists in preparing and analysing financial statements for private clients. Jessica has been heavily involved in the UNSW Law Society as Treasurer, Strategic Partnerships Director and Peer Mentor.	Honorary Treasurer (July 2018 – Current)
Leigh Dunlop	Alumni Director	B, Social Science and Policy, B. Psychology (Hons) (UNSW) Leigh is currently the Head of People and Culture at Future Super, managing the strategic and operational HR outcomes across their Sydney and Canberra offices. She has over 8 years' HR experience, having previously worked at Herbert Smith Freehills in both recruitment and generalist roles, where she was involved in all processes associated with the lifecycle of an employee including remuneration and reward, diversity and inclusion and organisational development. She previously held a Board position with HRMinds, a network that focused on providing support and ongoing professional development to HR professionals in the legal sector.	None
Amanda Young	Alumni Director	B Soc Work Amanda is a graduate of UNSW and has more than 15 years' experience in the fields of child protection and Government service provision. She is a practitioner, manager, director and has managed more than 1000 staff and budgets of over \$1b. She currently holds the positions of Executive Director, South Western Sydney, NSW Department of Family and Community Services.	None
Aaron Magner	UNSW Director	B. Econ (Macq), B. Law (Hons 1) (UTS), LL.M. (Corporate and Commercial law) (UNSW), MEM (UNSW). Aaron is the Director for Safety and Wellbeing at UNSW. He is responsible for UNSW's health, safety and environmental (HSE) management systems, related policies and procedures, strategy and engagement. Among other things he manages UNSW's HSE reporting, risk, audit and induction and compliance training. Previously Aaron was a Legal Counsel at UNSW and he maintains a legal practicing certificate. He has also worked for Deloitte, the NSW Ombudsman's Office, Turner Freeman Lawyers, Trade Unions as an organiser and research officer, a legal writer and editor with CCH and Thomsons and a university tutor and lecturer. He is the staff representative on the UNSW University Council and a member of the UNSW Audit Committee.	None
Benjamin Jones	Student Director	Ben is a Medical/Health Management student and UNSW residential colleges staff member. In his time at UNSW he has represented a variety of students in his roles on the UNSW Academic Board, UNSW Faculty of Medicine Board, and the Student Representative Council. He has also worked with Nura Gilli as a supervisor for their Preparatory Program and Winter School Program, and is a tutor for junior medical students. Ben has gained non for profit board experience through his work with similar organisations.	Chair of Audit & Risk Subcommittee (July 2018 – Current)
Jessica Black	Student Director	BInst/LLB (UNSW) Jessica is a third year Law/Media (PR and Advertising) student, passionate about the UNSW student community and an enthusiastic participant in student events/groups. In 2018, Jessica was a presenter with the Student Legal Education Group and a mentor for the Indigenous pre-law program at UNSW. Jessica would one day like a career in teaching/research in the tertiary sector and focuses on academic success, having been named on the UNSW Law, and Arts and Social Sciences Dean's List in 2017 and 2018 respectively. Outside of UNSW, Jessica is employed in the public sector, working with members of the public in a Sydney cultural institution.	None

Suwarna Ramanathan	Student Director	Suwarna is a fourth year medical student from Malaysia. In her time at UNSW, she was heavily involved with the Malaysian community, representing students in her roles as the president of a student NGO charity to welfare director of the Malaysian Student Council of Australia. She was a Student Development Representative for UNSW where she raised funds for the charitable programs supported by the university. She is the co-founder and editor-in-chief of Kopitalk, a mental health website aimed to increase discourse surrounding taboo subjects in the Southeast Asian society as means to reduce causes of mental health disorders. She is currently the Chief Strategy Officer of UNSW's first ever ASEAN conference.	None
Jason Zabakly	Student Director	Jason is a fifth year Teaching student who has served the student body as an executive in the Middle Eastern Society, Education Society and United Nations Society and through Arcs plethora of volunteering programs including Street Team and Yellow Shirts.	Chair of Nominations & Remuneration Subcommittee (July 2018 – current).
Mia Carey	Student Director	Mia is a fifth year Fine Arts/ Arts student. She has had volunteer experience for the Reclaim the Night Rally Sydney's organising collective and has been a photographic contributor to Arc's publication Tharunka. She was a member of the Inaugural Art Gallery of NSW Youth Collective.	Chair of Audit & Risk Subcommittee (June 2017 – July 2018), Student Development Committee Convenor (July 2018 – current).
Nadhirah Daud	Student Director	Nadhirah is a Bachelor of Arts/Bachelor of Laws student. In her time at UNSW, she has represented students in her roles on the Student Representative Council and the UNSW Law Faculty Board. She has also served on the executives of the UNSW Debating Society and UNSW Law Society, and volunteered with Shack Tutoring.	Honorary Treasurer (June 2017 – July 2018), Chair of the Board (July 2018 – current).
Samuel Westley	Student Director	Sam is an Arts & Business / Law student. In his time at UNSW, he has been involved in the Justices of the Peace League team in Arc, the Faculty of Arts & Social Sciences' Peer Mentoring Program and in the UNSW Law Society. Sam has legal and policy experience from working and volunteering in various law firms, a community legal centre and a think tank.	Student Development Committee Convenor (February 2018 – July 2018).
Paul Dobing	UNSW Director	BoMM (UTS), EMPA (ANZSOG), MAICD Paul is Director of Business IT Services for UNSW IT. He is responsible for the IT Service Management and Vendor Management practices along with IT Governance and Risk, Policy and Business Administration. Paul previously held a number of senior roles within the NSW Public Sector including responsibility for leading programs of reform and delivery for the procurement system of the State. He also held a number of senior roles nationally and internationally for Electronic Data Systems (EDS) and BHP where he developed extensive commercial and supply chain expertise.	None
Gaurav Vats	Postgraduate Council President	Gaurav is a Mechanical engineer with experience in multiple-attribute decision making (for energy related investments and national policies). He has represented postgraduate students of UNSW at University Council, Postgraduate Council (Vice President), University Research Committee and Honorary Degree Committee. He has also served as a Peer Mentor for the Faculty of Science (MSE), UNSW and have experience as a tutor and independent teaching staff at various institutes including UNSW (Australia), IITB, IITM and NIT Kkr (India).	None
Angela Griffin	Student Representative Council President	Angela is a Bachelor of Social Research and Policy student. In her time at UNSW she has been an SRC Counsellor and SRC Women's Officer as well as a Tharunka contributor and guest editor. She was the Secretary of Reclaim the Night Sydney in 2017 and worked as a volunteer primary school tutor for children being cared for by elderly grandparents with Grandparents As Parents (GAPs).	None

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 31 December 2018, and the number of meetings attended by each director were:

FULL BOARD

	Attended	Held
Shelley Valentine	3	3
Nadhirah Daud	6	6
Amanda Young	3	6
Aaron Magner	6	6
Jason Zabakly	6	6
Mia Carey	6	6
Samuel Westley	6	6
Suwarnna Ramanathan	3	4
Benjamin Jones	3	4
Jessica Lasky	3	4
Jessica Black	4	4
Leigh Dunlop	2	3
Paul Dobing	1	2
Angela Griffin	-	-
Gaurav Vats	-	-
Edward Bartolo	2	2
Kynan Newswan	2	2
Audrey Marsh	2	2
Erin Bailey	2	2
Joshua Sun	2	2
Lucian Hiss	1	2
Brad Hannagan	2	2
Sourabh Dhouchak	3	6
Zack Solomon	4	6

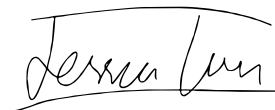
Held: represents the number of meetings held during the time the director held office.

Auditor's independence declaration

A copy of the auditor's independence declaration is set out on the following page.

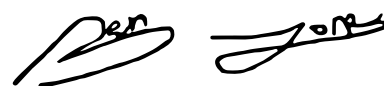
This report is made in accordance with a resolution of directors.

On behalf of the directors



Jessica Lasky
Honorary Treasurer

2 April 2019
Sydney



Ben Jones
Director

Contributions on winding up

In the event of the company being wound up, ordinary members are required to contribute a maximum of \$1 each. Honorary members are not required to contribute.

The total amount that members of the company are liable to contribute if the company is wound up is \$30,589, based on 30,589 current ordinary members.

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ARC @ UNSW LIMITED
ABN 71 121 239 674**

As lead auditor for the audit of Arc @ UNSW Limited for the year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



S S WALLACE
PARTNER

PITCHER PARTNERS
SYDNEY

2 April 2019

Financial Report

FOR THE YEAR ENDED 31 DECEMBER 2018

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Statement of profit or loss and other comprehensive income

	Note	2018 \$	2017 \$
Revenue	5	12,189,015	9,321,557
Interest revenue calculated using the effective interest method		68,735	132,948
Expenses			
Food, beverage and other purchases		(1,948,197)	(1,324,943)
Sports operation expense		(784,018)	(1,051,410)
Employee benefits expense		(6,181,855)	(5,358,022)
Depreciation and amortisation expense	6	(544,385)	(356,330)
Impairment of receivables		(35,124)	(15,862)
Marketing		(319,101)	(376,858)
Membership		(65,433)	(62,708)
Administration		(816,430)	(586,575)
Utilities		(142,300)	(68,937)
Security		(195,797)	(142,339)
Rental, hire, finance lease		(267,271)	(282,299)
Other expenses		(1,336,210)	(4,793,407)
Deficit before income tax expense		(378,371)	(4,965,185)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Arc @ UNSW Limited	17	(378,371)	(4,965,185)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Arc @ UNSW Limited		(378,371)	(4,965,185)

Refer to note 4 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of financial position

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	7	3,798,830	5,035,852
Trade and other receivables	8	677,063	228,884
Inventories	9	303,374	261,410
Total current assets		4,779,267	5,526,146
Non-current assets			
Other financial assets	10	1,200	1,200
Property, plant and equipment	11	2,442,787	919,886
Intangibles	12	71,051	113,061
Work-in-progress	13	-	863,435
Total non-current assets		2,515,038	1,897,582
Total assets		7,294,305	7,423,728
Liabilities			
Current liabilities			
Trade and other payables	14	947,981	947,959
Contract liabilities	15	262,428	48,353
Employee benefits	16	484,394	449,543
Total current liabilities		1,694,803	1,445,855
Total liabilities		1,694,803	1,445,855
Net assets		5,599,502	5,977,873
Equity			
Retained surpluses	17	5,599,502	5,977,873
Total equity		5,599,502	5,977,873

Refer to note 4 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity

	Retained surpluses \$	Total equity \$
Balance at 1 January 2017	10,943,058	10,943,058
Deficit after income tax expense for the year	(4,965,185)	(4,965,185)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(4,965,185)	(4,965,185)
Balance at 31 December 2017	5,977,873	5,977,873

	Retained surpluses \$	Total equity \$
Balance at 1 January 2018	5,977,873	5,977,873
Deficit after income tax expense for the year	(378,371)	(378,371)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(378,371)	(378,371)
Balance at 31 December 2018	5,599,502	5,599,502

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from sale of goods and other		8,209,957	10,110,878
Receipts from UNSW service agreement		4,953,414	4,017,757
Payments to suppliers and employees		(12,437,347)	(14,061,561)
Interest received		68,735	132,948
Net cash from operating activities		794,759	200,022
Cash flows from investing activities			
Payments for property, plant and equipment		(2,195,455)	(231,732)
Proceeds from disposal of property, plant and equipment		163,674	-
Renovations		-	(462,094)
Net cash used in investing activities		(2,031,781)	(693,826)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(1,237,022)	(493,804)
Cash and cash equivalents at the beginning of the financial year		5,035,852	5,529,656
Cash and cash equivalents at the end of the financial year	7	3,798,830	5,035,852

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1. General Information

The financial statements cover Arc @ UNSW Limited as an individual entity. The financial statements are presented in Australian dollars, which is Arc @ UNSW Limited's functional and presentation currency.

Arc @ UNSW Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 2 April 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 9 Financial Instruments

The company has adopted AASB 9 from 1 January 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance.

Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 January 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption

AASB 9 and AASB 15 were adopted using the retrospective approach and as such comparatives have been restated. There was no impact on the adoption on opening retained profits as at 1 January 2018. Refer to note 4 for details of the reclassification to the new accounting standards.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the AASB, Division 60 of the Australian Charities and Not-for-profits Commission Act 2012, and comply with other requirements of the law.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction

price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Rendering of services revenue is recognised when the service is provided.

Service funding agreement

The company receives funding from UNSW under a service funding agreement. The revenue is recognised when the services are provided.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Membership

Membership income is recognised on an accruals basis. Deferred revenue represents the unearned portion of membership fees paid in advance.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the company is a charitable institution in terms of subsection 50-5 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period;

or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets are impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	10 years
Furniture and fittings	5 years
Motor vehicles	5 years
Computer equipment	3 years
Academic dress	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost, less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of between 3 to 5 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever

events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the company has transferred the goods or services to the customer.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The carrying values of financial assets and financial liabilities presented represent a reasonable

approximation of fair value unless otherwise stated.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 4. Restatement of comparatives

Adoption of AASB 9 'Financial Instruments'

The company has adopted AASB 9 from 1 January 2018, using the full retrospective method of adoption and comparatives have been restated.

The investments classifications 'Available-for-sale financial assets' and 'Held-to-maturity investments' are no longer used and 'Financial assets at fair value through other comprehensive income' was introduced. There were no investments held in these categories on transition date, 1 January 2017.

'Interest revenue' is no longer included in the 'Revenue' note and is now shown separately on the face of the statement of profit or loss and other comprehensive income, resulting in a reclassification of \$132,948 for the year ended 31 December 2017.

The company has applied the simplified approach to measuring expected credit losses, resulting in no material changes to impairment expense or additional allowance for expected credit losses on transition date. Related amendments to AASB 101 'Presentation of Financial Statements' now require loss allowances for expected credit losses on financial assets to be shown on the face of the statement of profit or loss and other comprehensive income therefore impairment of receivables is now shown as a separate line item.

Adoption of AASB 15 'Revenue from Contracts with Customers'

The Group has adopted AASB 15 from 1 January 2018 using the retrospective method of adoption (with the exception of hedge accounting) resulting in deferred revenue now being disclosed as contract liabilities in the statement of financial position as at 31 December 2017.

The summary extract of the impact on the statement of profit or loss and other comprehensive income and statement of financial position of the above is as follows:

Statement of profit or loss and other comprehensive income

	2017 \$ Reported	\$ Adjustment	2017 \$ Restated
Revenue	9,454,505	(132,948)	9,321,557
Interest revenue calculated using the effective interest method	-	132,948	132,948
Expenses			
Impairment of receivables	-	(15,862)	(15,862)
Administration	(602,437)	15,862	(586,575)
Deficit before income tax expense	(4,965,185)	-	(4,965,185)
Income tax expense	-	-	-
Deficit after income tax expense for the year attributable to the members of Arc @ UNSW Limited	(4,965,185)	-	(4,965,185)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year attributable to the members of Arc @ UNSW Limited	(4,965,185)	-	(4,965,185)

Statement of financial position at the end of the earliest comparative period

	2017 \$ Reported	\$ Adjustment	2017 \$ Restated
Liabilities			
Current liabilities			
Contract liabilities	-	48,353	48,353
Deferred revenue	48,353	(48,353)	-
Total current liabilities	1,445,855	-	1,445,855
Total liabilities	1,445,855	-	1,445,855
Net assets	5,977,873	-	5,977,873

Note 5. Revenue

	2018 \$	2017 \$
Revenue from contracts with customers		
UNSW service agreement funding	4,503,414	3,467,757
Sale of goods	3,719,270	2,728,354
Rental, venue hire, amusements	1,056,889	305,160
Sponsorships	614,053	550,433
Academic dress hire	574,834	544,821
Sports game and booking income	580,895	744,034
	11,049,355	8,340,559
Other revenue		
Management fees	450,000	550,000
Other revenue	689,660	430,998
	1,139,660	980,998
Revenue	12,189,015	9,321,557

Note 5. Revenue (Continued)

The disaggregation of revenue from contracts with customers, in addition to disclosed above, is as follows:

	2018 \$	2017 \$
Major product lines		
UNSW service agreement funding	4,503,414	3,467,757
Sale of goods	3,719,270	2,728,354
Rental, venue hire, amusements	1,056,889	305,160
Sponsorships	614,053	550,433
Academic dress hire	574,834	544,821
Sports game and booking income	580,895	744,034
	11,049,355	8,340,559
Geographical regions		
Australia	11,049,355	8,340,559
Timing of revenue recognition		
Goods transferred at a point in time	6,545,941	4,872,802
Services transferred over time	4,503,414	3,467,757
	11,049,355	8,340,559

Note 6. Expenses

	2018 \$	2017 \$
Deficit before income tax includes the following specific expenses:		
Depreciation and amortisation		
Leasehold improvements	93,257	93,258
Furniture and fittings	334,039	126,063
Motor vehicles	36,942	47,170
Computer equipment	23,580	31,944
Academic dress	15,578	14,906
Software	40,989	42,989
Total depreciation and amortisation	544,385	356,330
Rental expense relating to operating leases		
Total rental expense relating to operating leases	185,989	182,212
Write off of assets		
Receivables	-	3,555,545

Long-term receivable of \$3,555,545, the balance of unpaid instalments from UNSW for the sold outlets in campus in 2012, has been written off due to UNSW changing the way of paying Arc service grant. Commencing 2018, the \$888,889 annual instalment is included in the annual service grant which is recognised as annual revenue.

Note 7. Current assets - cash and cash equivalents

	2018 \$	2017 \$
Cash on hand	9,128	1,326
Cash at bank	877,375	953,629
Cash on deposit	2,912,327	4,080,897
	3,798,830	5,035,852

Note 8. Current assets - trade and other receivables

	2018 \$	2017 \$
Trade receivables	283,563	121,768
Less: Provision for impairment of receivables	(21,921)	-
	261,642	121,768
Receivable from UNSW, net present value	110,553	-
Prepayments	304,868	107,116
	677,063	228,884

Allowance for expected credit losses.

The company has recognised a loss of \$35,124 (2017: \$15,862) in profit or loss in respect of the expected credit losses for the year ended 31 December 2018

Note 9. Current assets - inventories

	2018 \$	2017 \$
Finished goods - at cost	303,374	261,410
	303,374	261,410

Note 10. Non-current assets - other financial assets

	2018 \$	2017 \$
Unlisted shares - at cost	1,200	1,200
	1,200	1,200

The weighted average discount rate used to determine the present value for the receivable from UNSW was nil% (2016: 2.03%).

Note 11. Non-current assets - property, plant and equipment

	2018 \$	2017 \$
Leasehold improvements - at cost	921,135	921,135
Less: Accumulated depreciation	(622,918)	(529,661)
	298,217	391,474
Furniture and fittings - at cost	5,865,351	3,756,511
Less: Accumulated depreciation	(3,822,700)	(3,522,165)
	2,042,651	234,346
Motor vehicles - at cost	135,243	390,032
Less: Accumulated depreciation	(107,444)	(190,182)
	27,799	199,850
Computer equipment - at cost	1,242,640	972,977
Less: Accumulated depreciation	(1,198,969)	(924,788)
	43,671	48,189
Computer equipment - leased	-	253,734
Less: Accumulated depreciation	-	(253,734)
	-	-
Academic dress - at cost	156,485	156,485
Less: Accumulated depreciation	(126,036)	(110,458)
	30,449	46,027
	2,442,787	919,886

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements \$	Furniture and fittings \$	Motor vehicles \$	Computer equipment \$	Academic dress \$	Total \$
Balance at 1 January 2018	391,474	234,346	199,850	48,189	46,027	919,886
Additions	-	2,156,215	19,995	19,245	-	2,195,455
Disposals	-	(13,871)	(155,103)	(184)	-	(169,158)
Depreciation expense	(93,257)	(334,039)	(36,942)	(23,580)	(15,578)	(503,396)
Balance at 31 December 2018	298,217	2,042,651	27,800	43,670	30,449	2,442,787

Note 12. Non-current assets - intangibles

	2018 \$	2017 \$
Software - at cost	1,147,849	1,154,487
Less: Accumulated amortisation	(1,076,798)	(1,041,426)
	71,051	113,061

Note 12. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Software \$
Balance at 1 January 2018	113,061
Disposals	(1,021)
Amortisation expense	(40,989)
Balance at 31 December 2018	71,051

Note 13. Current liabilities - work-in-progress

	2018 \$	2017 \$
Work-in-progress	-	863,435

UNSW Council approved a refurbishment project for the UNSW Roundhouse in February 2016 which commenced in July 2016. The Roundhouse has become operational since February 2018. During 2017, \$863,435 relating to Roundhouse renovations ('WIP') was incurred.

Note 14. Current liabilities - trade and other payables

	2018 \$	2017 \$
Trade payables	261,440	137,340
Other creditors and accruals	686,541	767,468
Other payables	-	43,151
	947,981	947,959

Note 15. Current liabilities - contract liabilities

	2018 \$	2017 \$
Contract liabilities - deferred revenue	262,428	48,353

Note 16. Current liabilities - employee benefits

	2018 \$	2017 \$
Employee benefits	484,394	449,543

Note 17. Equity - retained surpluses

	2018 \$	2017 \$
Retained surpluses at the beginning of the financial year	5,977,873	10,943,058
Deficit after income tax expense for the year	(378,371)	(4,965,185)
Retained surpluses at the end of the financial year	5,599,502	5,977,873

Note 18. Members guarantee

The company is limited by guarantee. If the company is wound up, the Constitution states that each member or person who ceased to be a member in the year prior to the wind up is required to contribute a maximum of \$1 towards meeting any outstanding obligations of the company.

The number of members at 31 December 2018 was 30,589 (2017: 28,601).

Note 19. Key management personnel disclosures

Compensation

The compensation received by non-executive key management personnel and executive key management personnel is as follows:

	2018 \$	2017 \$
Aggregate Director Honoraria	40,110	40,882
Aggregate Key Management personnel compensation	1,017,276	773,984

Note 20. Contingent liabilities

The company has given bank guarantees to various landlords as follows:

	2018 \$	2017 \$
Bank guarantee - White House	12,833	12,833

Note 20. Commitments

The company has given bank guarantees to various landlords as follows:

	2018 \$	2017 \$
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	249,371	205,363
One to five years	489,858	371,401
	739,229	576,764

Operating lease commitments includes contracted amounts for various retail outlets, café, art gallery and plant and equipment under non-cancellable operating leases expiring within one to ten years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

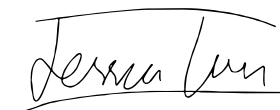
Directors' declaration

In the directors' opinion:

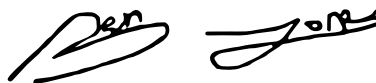
- › the attached financial statements and notes thereto are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (Cth), including compliance with accounting standards;
- › the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the financial year ended on that date; and
- › there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 60.15 of the Australian Charities and Not for Profit Commission Regulations 2013.

On behalf of the directors



.....
Jessica Lasky
Honorary Treasurer



.....
Ben Jones
Director

2 April 2019,
Sydney

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ARC @ UNSW LIMITED
ABN 71 121 239 674**

Report on the Audit of the Financial Report

We have audited the financial report of Arc @ UNSW Limited ("the Company"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Opinion

In our opinion the financial report of the Company has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and Division 60 of the ACNC Act.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations) and the ACNC Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Responsibilities of Directors for the Financial Report (continued)

In preparing the financial report, directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

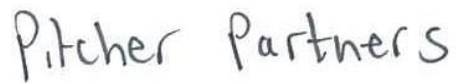
Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



S S WALLACE
PARTNER



PITCHER PARTNERS
SYDNEY

2 April 2019



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